

# MANAGING YOUR MONEY

## How Women Can Become Golden Girls: Tips To Prepare For Retirement ㊦

(NAPS)—Despite deliberations among economists that the recession may be “over,” the past few years of the economic downturn have taken a substantial toll on the retirement confidence of many Americans. For women in particular, the retirement forecast remains gloomy. However, new research from the Transamerica Center for Retirement Studies® (“The Center”) offers opportunities to help brighten it.

The Eleventh Annual Transamerica Retirement Survey found that only 6 percent of women workers strongly agree that they are building a large enough nest egg, while 70 percent agree that they could work until age 65 and still not save enough. Although important for everyone, retirement planning is especially important for women, who often face unique financial challenges such as lower wages, time out from the workforce to raise a family and longer life expectancy.

According to Catherine Colinson, president of the Transamerica Center for Retirement Studies, “Life sometimes requires difficult decisions and trade-offs, but planning and saving for a financially secure retirement doesn’t have to be overwhelming.” Here are four steps women can take toward a secure retirement:

### 1. Start Saving Now—You Can’t Afford to Wait

The women surveyed said they started saving for retirement at age 30 (median). While that may seem relatively young, there’s a

huge benefit to starting early—and a high cost for waiting. For instance, a 24-year-old who starts contributing \$3,000 per year to a tax-deferred retirement plan like a 401(k) may save \$524,000 by age 65, assuming an approximate 6 percent annualized rate of return. By comparison, a person who waits until age 30 to start saving the same amount per year may save only \$354,000 by age 65. Assuming the same rate of return, that’s a difference of over \$100,000.

### 2. Calculate a Retirement Savings Goal

It’s tough to chart a course if you don’t have a destination in mind. The women surveyed estimate needing \$500,000 (median) to achieve a secure retirement, but when asked how they reached that number, 59 percent of women stated they guessed. Even more startling, 38 percent of women have only \$50,000 or less saved in all of their household retirement accounts combined.

There are tools available to help women calculate a more realistic goal, such as The Center’s investment calculator at [www.transamericacenter.org](http://www.transamericacenter.org). With a specific target amount, women can harness the power of consistently saving and potentially benefiting from the compounding of investments.

### 3. Learn the Basics of Investing

Nearly three-quarters of women surveyed said they don’t know as much about retirement investing as they should. A big step in the

right direction is to learn enough about the fundamentals of retirement investing in order to create a strategy that’s right for you, or simply learn enough to ask good questions when seeking the advice of professional experts. For those who don’t have the time or interest to actively manage their retirement accounts, there are other options to investigate, including target maturity funds, strategic allocation funds and managed accounts.

### 4. Nurture the Nest Egg

Given the long-term horizon for retirement planning, people’s life circumstances will inevitably change. By staying aware of and discussing the issues, challenges and available alternatives, you can help ensure that your nest egg will be ready when you need it. Periodically recalculate your savings goal to see whether your current level of savings is adequate to meet your retirement goal. Review your investment results and adjust your investment selections as needed. And don’t forget to consider whether you’ll still retire at the age that you intended.

Gaining knowledge and taking control of retirement planning can help women build their confidence in saving for a financially secure retirement—and in becoming a golden girl. In the meantime, retirement planning also provides greater perspective for making better-informed life decisions related to taking time out of the workforce, pursuing higher-paying jobs and career opportunities, and upholding family commitments.

*About Transamerica Center for Retirement Studies®*

*The Transamerica Center for Retirement Studies® (“The Center”) is a nonprofit corporation and private foundation. The Center is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third-parties. For more information about The Center, please refer to [www.transamericacenter.org](http://www.transamericacenter.org).*

*About the 11th Annual Retirement Survey*

*This survey was conducted online within the United States by Harris Interactive on behalf of Transamerica Center for Retirement Studies between December 3, 2009 and January 18, 2010 among 3,598 full-time and part-time workers. Potential respondents were targeted based on job title and full-time and part-time status. Respondents met the following criteria: All U.S. residents, age 18 or older, full-time workers or part-time workers in for-profit companies, and employer size of 10 or more. Results were weighted as needed for the number of employees at companies in each employee size range. No estimates of theoretical sampling error can be calculated; a full methodology is available.*

### Did You Know?

Gaining knowledge and taking control of retirement planning can help women build their confidence in saving for a financially secure retirement—and in becoming a golden girl. For more information, visit [www.transamericacenter.org](http://www.transamericacenter.org).

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